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ORGANIZATION  
FOR THE PROMOTION  
AND ADVANCEMENT  
OF SMALL  
TELECOMMUNICATIONS  
COMPANIES

December 9, 1998

Ms. Magalie Roman Salas, Secretary  
Federal Communications Commission  
The Portals  
445 Twelfth Street, S.W.  
Washington, DC 20554

cc: 96-45

Re: Ex Parte Meeting


Dear Ms. Salas:

In accordance with the Commission's rules, the purpose of this letter is to report that on December 1, 1998, the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) met with Commissioner Gloria Tristiani, Kevin Martin of Commissioner Harold Furchtgott-Roth's office, Paul Gallant of Commissioner Gloria Tristiani's office and Kyle Dixon of Commissioner Michael Powell's office. Representing OPASTCO at the meetings were John Rose, Trent Boaldin, Kathleen Wallman, Phil Nelson, Ed Eichler, Bob Eddy, Chuck Fast and Rodney Theimann.

The purpose of the meetings were to discuss the OPASTCO white papers, Rural America: Connections to the Future: Assessing the Extent of and Demand for Telecommunications Infrastructure in Rural America and Rural America Connections to the Future: The Telecommunications Act of 1996: Congress' New Vision for Universal Service for Rural America. Also discussed were various aspects of Universal Service Proxy Models.

OPASTCO is filing one (1) original and (2) copies of this notice for inclusion in the ex parte file of this proceeding.

Sincerely,

  
John Rose  
President

cc: Commissioner Gloria Tristiani  
Paul Gallant, Office of Commissioner Gloria Tristiani  
Kevin Martin, Office of Commissioner Harold Furchtgott-Roth  
Kyle Dixon, Office of Commissioner Michael Powell

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# RURAL AMERICA: CONNECTIONS TO THE FUTURE

## Assessing the Extent and Demand for Telecommunications Infrastructure in Rural America

by

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Director, Office of Social and Economic Data Analysis

University of Missouri-Columbia

and

Vicki M. Hobbs

Director, MITE Network and

Chair, Rural Policy Research Institute Panel on Telecommunications

### AN OVERVIEW OF WHAT'S INSIDE

- Rural America has the same diversity of people, businesses, and telecommunications uses as urban and suburban America (white paper pp. 6, 7, 46).
- Advanced telecommunications technology exists in many rural areas, but should exist in all rural areas (white paper pp. 4, 12, 17, 23, 45).
- Increases in rural population can be attributed to an advanced telecommunications infrastructure that supports Internet, telecommuting, distance learning, telemedicine and other uses (white paper pp. 12, 14, 24, 26, 41).
- An advanced telecommunications infrastructure gives rural America the tools to succeed with economic development and education efforts, regardless of a community's remote or isolated location (white paper pp. 12, 16, 34, 38, 42).
- By 2006, a 108 percent increase in computer and data services jobs is expected across the country, which could provide significant economic growth in rural America if an advanced telecommunications infrastructure is in place to support the work (white paper pp. 39, 42).



Telecommunications is an issue that affects all Americans. It is at the forefront of technology advances and has become an everyday part of how we live, work, learn and play.

As the subject of telecommunications is addressed on the national, state, and local levels, significant issues surround the pro-competitive regulatory policies found in the Telecommunications Act of 1996. As these policies are developed and implemented, we must step back and assess both the extent of and the demand for the proliferation of a telecommunications infrastructure, particularly as it relates to rural America. In so doing, several conclusions – and implications – arise as we look at the state and role of telecommunications in the rural context:

**1. Rural America Has the Same Diversity of People, Businesses, and Telecommunications Uses as Urban and Suburban America:**

Today rural America is a heterogeneous mix of life-long residents, urban in-migrants, and rural returnees. It has increasingly become, in recent years, a microcosm of American society. It no longer fits (if it ever truly did) the nostalgic, idealistic, backward stereotypes that are often thought to be synonymous with “rural.” Although the diversity of rural America serves to increase the demand for advanced telecommunications services equivalent to that of urban America, the realities of distance, population sparsity, and terrain continue to impact the cost of providing telecommunications. Rural America requires diverse solutions to the problems of universal service, access to affordable advanced telecommunications, and adequate and predictable support mechanisms.

**2. Advanced Telecommunications Technology Exists in Rural America, But Should Exist in All Rural Areas:**

Rural America is not a backwater of archaic telecommunications technology. Indeed, there are oases of modern rural communications capabilities existing in rural America, built by community-based telecommunications companies through the assistance of historic universal service mechanisms. The problem today, however, continues to lie in the inequity of access to such modern technologies across all communities.

**3. Increases in Rural Population Can be Attributed to an Advanced Telecommunications Infrastructure That Supports Internet, Telecommuting, Distance Learning, Telemedicine and Other Uses:**

The resurgence of population to rural America is creating both heightening need and increasing demand for widespread access to advanced telecommunications. Rural America, for the most part, represents a vital, energized populace buoyed by the opportunity for economic growth. But the realization of such growth, more than ever, is tied to the widespread availability and affordability of advanced telecommunications. The flow of humanity that once fueled the economic growth of metropolitan America in previous generations is now poised to energize rural America.

**4. The Presence of Advanced Telecommunications Capabilities Attracts New Businesses and Residents to Rural America, Who In Turn, Create a Greater Demand for Advanced Telecommunications Capabilities:**

Rural population growth has contributed to the demand for advanced telecommunications services, while at the same time, the increased availability of advanced telecommunications has acted as a catalyst for continued growth. Although other enabling factors such as quality of life, increased opportunities for mobility, enhanced economic freedom, and the move of corporate America away from the need for a centralized work force, have contributed to a rural Renaissance, the catalytic role of telecommunications technology cannot be denied.

**5. An Advanced Telecommunications Infrastructure Gives Rural America the Tools to Succeed With Economic Development and Education Efforts, Regardless of a Community's Remote or Isolated Location:**

Successful local control of programs and decision-making is absolutely hinged on local community access to accurate and timely information upon which local decisions must be based. Advanced telecommunications can make possible the virtual access to the information needed, regardless of where the source of that information is located.

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**6. Rural America's Telecommunications Needs are Best Met When the Telecommunication Provider Works Closely With the Community:**

Rural community institutions, e.g. the school, library, and health care provider, can lead the way in identifying community telecommunications needs by incorporating local government, agencies, organizations, and business and industry in the process. Through such joint community cooperation, telecommunications providers will be better able to identify where infrastructure growth will be required to meet the community's needs.

**7. Rural America Can Extend Its Sense of Community, Through Advanced Communications, to Connect With People Everywhere:**

Rural Americans require the same sense of community as their urban and suburban counterparts. Advanced telecommunications can enable a person, whether across the town or across the continent, to establish meaningful connections with people and markets irrespective of geographic constraints.

## **8. Local Telecommunications Companies Have Emotional, Physical, Intellectual, and Financial Investments In the Rural Communities They Serve:**

One of the benefits bestowed by small telecommunications companies on the communities in which they reside, is the greater likelihood of a long-standing involvement, commitment and integration of the telecommunications company into the community, and one-on-one contact between company personnel and the customers they serve. This undeniable intertwining of the local telecommunications company with the social and economic well-being of the community greatly increases the likelihood that the telecommunications needs of the community are being met. It therefore follows that the pivotal role of small independent companies as purveyors of advanced technology to their communities must be enhanced, rather than diminished, by pro-competitive regulatory policies.



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